

MICHIGAN HOMEOWNER ASSISTANCE NONPROFIT HOUSING CORPORATION
Acting Through

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue
Lansing, Michigan 48912

Servicer Participation Agreement
Help for Hardest Hit Programs

THIS AGREEMENT, made and entered into as of the _____ day of _____, 20_____, by and between the MICHIGAN HOMEOWNER ASSISTANCE NONPROFIT HOUSING CORPORATION ("MHA"), a Michigan nonprofit housing corporation, acting through the MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY, a public body corporate and politic of the state of Michigan (the "Authority"; Authority forms may also use the term "MSHDA"), and _____ (hereinafter referred to as the "Servicer").

W I T N E S S E T H

WHEREAS, the Servicer is duly qualified to engage in the business of servicing mortgage loans in the State of Michigan, and desires to participate in MHA's Help for Hardest Hit program (the "Program");

WHEREAS, MHA desires to have the Servicer originate repayable grants to assist Servicer's current borrowers that are, or may be in danger of being, in foreclosure;

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. This Agreement and the warranties, representations and agreements herein shall attach and apply to each of the above-described repayable grants (hereinafter individually referred to as a "Program Mortgage Loan") closed by the Servicer on behalf of the MHA.
2. Servicer shall originate Program Mortgage Loans in the name of MHA and funded by MHA to assist Servicer's current borrowers that are or may be in danger of foreclosure. All such Program Mortgage Loans shall comply with the Program description and any guidelines, manuals, directives or other instructions developed by MHA or the Authority. The Servicer agrees that it will not receive any monetary compensation for its actions under this Agreement, whether from a Program participant, the MHA or the Authority. Attached to this Agreement as Exhibits, are the Program Guidelines in effect as of the date of execution of this Agreement.
3. The Servicer warrants that it will comply with all applicable State and Federal laws including, but not limited to, the Truth in Lending Act, 15 U.S.C. §1601 et seq., the Home Ownership and Equity Protection Act, 15 U.S.C. § 1639, the Federal Trade Commission Act, 15 U.S.C. § 41 et seq., the Equal Credit Opportunity Act, 15 U.S.C. § 701 et seq., the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., the Real Estate Settlement Procedures Act, 12 U.S.C. §2601 et seq., the Fair Housing Act, 42

U.S.C. §3601, the Gramm Leach Bliley Act, 15 U.S.C. §6801-6809, and §§ 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003 (the "FACT Act"), 15 U.S.C. §§ 1681m(e) and 1681c(h), and all other Federal and State laws and regulations applicable thereto, including, without limitation, those designed to prevent unfair, discriminatory or predatory lending practices, tenant rights and licensing (collectively, the "Applicable Laws").

4. The Servicer warrants that it will comply with all applicable provisions of the National Housing Act, as amended, and with all rules and regulations issued thereunder and the rules and regulations of private mortgage insurance companies in the performance of this Agreement.
5. The Servicer warrants that it will comply with the non-discrimination provisions of Article I, Section 2 of the Constitution of the State of Michigan, the Civil Rights Act of 1964 (78 Stat. 252), the Regulations pursuant to such Act, and Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965.
6. The Servicer shall not be authorized or empowered to waive or vary any term of any note or mortgage evidencing and securing a Program Mortgage Loan.
7. The Servicer shall maintain in full force and effect during the term of this Agreement, at its own expense, each of the following:
 - A. A Fidelity Bond;
 - B. Errors and Omissions Insurance;
 - C. Theft insurance;
 - D. Forgery Insurance;
 - E. Copy of License or Registration under the Michigan Mortgage Brokers, Lenders and Servicers Licensing Act (MCLA445.1651 et. seq.);
 - F. **For Michigan Corporations**, a certified copy of Articles of Incorporation, together with a Good Standing Certificate, both dated within 30 days of this application.
 - G. **For non-Michigan Corporations**, a certified copy of Articles of Incorporation filed in the State of Incorporation, together with a Certificate of Authority to transact business in Michigan and evidence of Good Standing with the primary Federal Regulator for your industry, all dated within 30 days of this application.

All bonds or insurance policies shall be in amounts and contain coverage and be placed with a carrier qualified to do business in the State of Michigan (the "State") and not unacceptable to the Authority. The Servicer shall furnish a certificate from its insurance carrier naming the Authority as a certificate holder of the bonds or policies. All such policies shall provide that the Authority shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of the policy or any material change in the coverage afforded thereunder.

8. The Servicer agrees to participate in mandatory Program training provided by MHA or the Authority and agrees that the first three (3) loan packages Servicer submits will be "test cases." MHA must deem the test cases acceptable prior to the Servicer's offering additional Program Mortgage Loans to borrowers in the Servicer's portfolio.
9. The Servicer agrees to comply with all Program guidelines as outlined by MHA, evaluate each

- Program participant's modification request according to the Servicer's own standard process, request Program assistance on behalf of Program participants on a first come, first served basis, and administer Program funds according to MHA instructions.
10. The Servicer agrees to have each Program participant execute MHA's mortgage and note in the amount of the Program assistance that MHA has authorized; the original documents to be returned to MHA for recording and retention.
 11. The Servicer agrees to not require a Program participant to incur any fees, including, but not limited to, application or processing fees, in order to apply for participation in the Program.
 12. The Servicer agrees to provide to MHA any and all documents in its possession relating to a Program loan if MHA requests them, whether for MHA evaluation or for MHA to ensure Servicer's compliance with the Program, at any time during or after Program loan approval. The Servicer shall permit MHA or its authorized representative to examine all books and records pertaining to Program Mortgage Loans at any time during business hours.
 13. The Servicer agrees to provide continued loan status reporting on each mortgage loan of a Program participant as long as MHA deems necessary, estimated, at the time of execution of this Agreement to be 24 months from the date of the last Program funds received by Servicer, with Servicer's acknowledgment that MHA will share all reported information with the U.S. Department of Treasury.
 14. At MHA's discretion, if MHA determines that any misstatement of material fact by the Program participant or the Servicer exists in any documents, upon MHA's request, the Servicer shall reverse any credits to the Program participant's mortgage serviced by the Servicer that were a result of a Program Mortgage Loan covered by this Agreement, and return to MHA the funds MHA previously advanced pursuant to the Program Mortgage Loan.
 15. This Agreement shall not be assignable by the Servicer or its successors without the written consent of MHA or its successors or assigns.
 16. In the performance of its duties as Servicer hereunder, the Servicer shall be an independent contractor acting in its own behalf and for its own account and without authority, express or implied, to act for or on behalf of MHA or the Authority in any capacity other than that of an independent contractor and in no respect, save as herein expressly set forth or as may from time to time be authorized by MHA or the Authority in writing. MHA may, by express writing for that purpose or otherwise, control the manner or extent of performance of all acts to be done by the Servicer hereunder for the benefit of MHA, or may waive such performance. No waiver shall be deemed a continuing waiver, and no failure on the part of the Authority to exercise wholly or in part any rights hereunder shall prevent a later exercise of such or any other right.
 17. The representation, warranties and agreements contained in Sections 1 through 16, above, shall survive a termination of this Agreement.
 18. Notwithstanding any provision herein to the contrary, this Agreement shall terminate immediately upon the mailing of written notice of termination by MHA to the Servicer upon the happening of either of the following events:

- A. The violation by the Servicer of any material provision of this Agreement; or
- B. The appointment of a receiver or liquidator of or for the Servicer or the making of an assignment for the benefit of creditors or composition with creditors by the Servicer, or an adjudication of insolvency of the Servicer or the filing of an involuntary petition in bankruptcy against the Servicer.

The Servicer agrees that if any of the events specified in paragraph (B) of this section shall occur, it will give written notice thereof to MHA within two (2) days after the happening of such event.

- 19. MHA may also terminate this Agreement without cause, upon fifteen (15) days written notice to the Servicer, with the effective date of termination being the fifteenth day after the receipt of the notice.
- 20. The Servicer may terminate this Agreement upon fifteen (15) days written notice, with the effective date of termination being the fifteenth day after the receipt of the notice.
- 21. Unless sooner terminated as herein provided or by mutual agreement, this Agreement shall continue from the date hereof indefinitely. All notices of termination are to be sent by certified mail, return receipts requested, or delivered personally, and the termination shall become effective on the date of receipt of said notice.
- 22. The Servicer covenants and agrees that during the term of this Agreement it will furnish MHA annually a statement from a Certified Public Accountant or an independent insurance agency or firm setting forth the amounts of the following (i) Fidelity Bond in force; (ii) Errors and Omissions Insurance in force; (iii) Forgery Insurance in force and (iv) Theft Insurance in force, all as required by Section 7 hereof.
- 23. Any notices required or permitted under this Agreement shall be either delivered personally, or mailed by first class mail to the party being notified. Notices to the Authority shall be delivered or sent to:

Michigan Homeowner Assistance Nonprofit Housing Corporation
c/o Director of Homeownership
Michigan State Housing Development Authority
735 East Michigan Avenue
Lansing, Michigan 48912

Notices to the Servicer shall be delivered or sent to: (Please include corporation contact name and address)

All time periods concerning notices contained in this agreement shall be calculated from the

date such notice is sent, or, if personally delivered, on the date delivered.

24. MHA shall wire all funds that it advances pursuant to this Agreement in accordance with the instructions contained in the attached Service Contact/Wire Instructions, unless otherwise instructed, in writing, by Servicer.
25. This document contains the entire agreement between the parties hereto. Any amendment hereto shall be in writing executed on behalf of both parties hereto. The invalidity of any portion of this Agreement shall in no way affect the balance hereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized representatives, as of the day and year first above written.

(Servicer)

MICHIGAN HOMEOWNER ASSISTANCE
NONPROFIT HOUSING CORPORATION

By: _____ By: _____

Its: _____ Its: _____